Visual Logic

ROWhy
Is User Experience Worth It?

How 10% Of Your Budget Can Affect
100% Of Your Product

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A Non-Traditional Investment

On the floor of the New York Stock Exchange, you will find peaceful moments before the opening bell rings at 9:30 every morning. It's the calm before the storm. Brokers begin to gather, all with warm coffees in one hand, tablets in the other, and bluetooth headsets in-ear. There's a feeling of nervousness and anticipation hanging in the air because everyone knows that once the bell sounds, a flurry of activity begins, and fortunes will be made…or lost.

Specific strategies have been made for this moment. Every broker is trying to gain an edge in their trades. What are the foreign markets saying? What are institutional investors analyzing? Each person attacks the trading day with a specific plan to gain advantage. The one thing you won't find? Successful traders who buy and sell on a hunch. That type of investing generally ends with big losses. Savvy traders know that fortunes are rarely made by gambling. Discipline, analysis, and steady effort win the race. That same philosophy of preparation and research applies to UX, too.
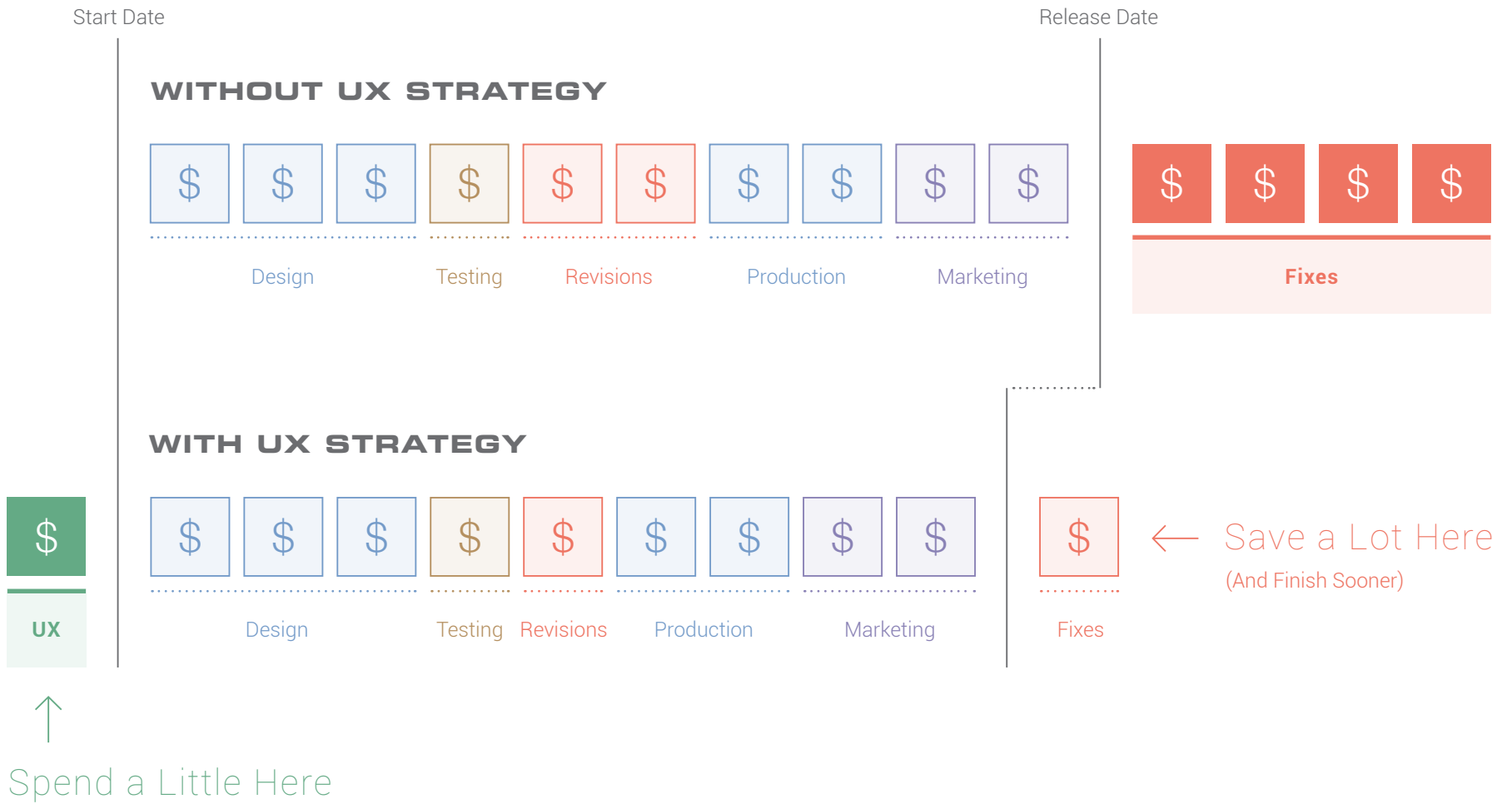
With UX, there are no green and red ticker arrows indicating if you're gaining value in real time.

Throw out all the complex statistics-based theories and the explosion of derivatives you'll find in financial markets, because we're offering a simple, data-driven formula to increase your product's value: a 10% investment of your budget can positively affect 100% of your product.

IN THIS GUIDE YOU WILL LEARN:

/   Why you should invest in UX

//   How much time UX will take

///   General project timelines

////   Cost and benefit

A 10% investment of your budget can positively affect 100% of your product.

Start Date

Release Date

WITHOUT UX STRATEGY

$	$	$	$	$	$	$	$	$	$

Design	Testing	Revisions	Production	Marketing

$	$	$	$

Fixes

WITH UX STRATEGY

$	$	$	$	$	$	$	$	$

Design	Testing	Revisions	Production	Marketing

$

Fixes

← Save a Lot Here
(And Finish Sooner)

$

UX

↑

Spend a Little Here

Why Should I Invest In UX?

You're in charge of keeping your budget in line while producing a top-notch product. There is always a tradeoff involving financial pressure and being a good steward of resources. There is also the strong tug you feel to develop a high quality product with all the desired features. The last thing you want is to produce a product that doesn't meet expectations, but it simply isn't acceptable to miss budget. Hitting that sweet spot is the essence of good project management and leadership.

In the final analysis, it is critical that you don't create a product that falls short of expectations. If you don't allocate budget for user experience before you begin development, you will end up spending much more time and money fixing the usability mistakes after development- which often results in disastrous delays, frustrated users, and additional spending.

In the past, if you didn't allocate a budget for UX, how much did you have to spend post-launch? UXD slashes the costly iterations.

In fact, an upfront investment in UX can save you thousands of dollars later. Not only that, it will have a positive impact on many aspects of your product. The success of UXD can be measured with metrics like:

/ Increased sales
/ Increased engagement
/ Increased adoption with easy-to-use product
/ Retention of your users
/ Saved time
/ Brand loyalty

UXD SHOULDN'T BE AN AFTERTHOUGHT

User experience is all about putting users first - not only in your planning and budgeting, but in the consideration of user needs before all else. Tacking on user experience as an afterthought often leads to compromise. It means you're stuck between a rock and a hard place, and you've got a problem rooted in usability that your team will struggle with unnecessarily. Spending time and money fixing usability issues you could have solved at conception is not the best use of your time. Whether you're getting hammered with feedback from frustrated users, the product isn't performing as projected, or it hasn't even gotten off the ground because there are so many usability flaws, the stress of development and rework begins to increase exponentially.

By not putting user experience ahead of development, you might realize that you have a subpar product after it's too late. If you don't improve your product beforehand, you are putting your customers in the middle of your development, ultimately giving them a bad experience.

That's like realizing a winning investment after the closing bell rings on the stock exchange floor. Too little, too late.

It's a classic case of reverse engineering. Companies have made this mistake before. Take TiVo for example. It was one of the first movers in the digital video recorder business, but the user experience was complicated and frustrating for users. They failed to pivot and innovate, and by then, competitors came out with their own recorders that blew TiVo out of the water. The company had to scramble to revamp its product and spent millions to re-launch the brand. TiVo learned the hard way: investing in UX from the beginning yields higher customer satisfaction and greater long-term success. Skip this step, or scrimp unnecessarily, and regret can quickly set in.

You Can Measure Happiness

Users can be hard to please. Something as subjective as the "feel" of an application can result in unhappy users and lost customers. For example, 41% of website visitors will immediately abandon a site if it appears outdated.[1] It's best to bring in usability experts before you've missed the mark.

There are two types of ROI you can expect to see with UX design: metrics and user happiness.

IS IT WORTH IT?

The ROI for user experience design goes beyond the single-facet return you see from a stock investment. Not only do you see immediate return in measurable metrics like budget savings and product adoption, but user happiness becomes real too when retention rates exceed expectations.
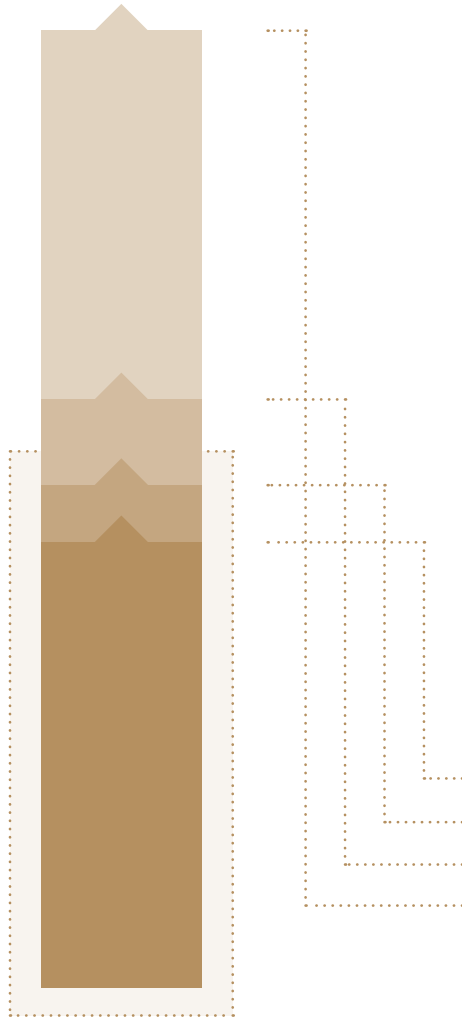
METRICS

A well-designed user experience can have a dramatic effect on your bottom line. The best way to measure that effect is to look at the "before and afters." Measuring the before and after metrics is a great way to battle the intangibility of a great user experience.

For example, you might want to increase productivity for your employees as they interact with your in-house software. With user experience design, you take a task that originally took 5 minutes, and cut it down to just 2 minutes to complete. If this is a task that your employees do several times a day, you will be saving your workers' time which results in saving money. By calculating the wage and amount of time saved in that process you would know how much money you saved by optimizing just one task.

An analysis of 72 projects redesigned to improve usability indicates that ROI for user experience is staggering. Specific and big-picture metrics let you see the value of your investment.

Metric	Average Improvement Across Web Projects
Sales / Conversion Rate	87%
Traffic / Visitor Count	91%
User Performance / Productivity	112%
Use of Specific (desired) features	174% [2]

The difference made with user experience is hard to miss. Remember that user experience backs up your product in terms of cost in improved productivity and increased sales.
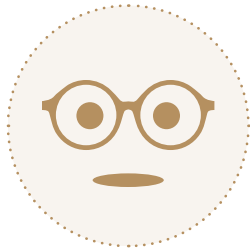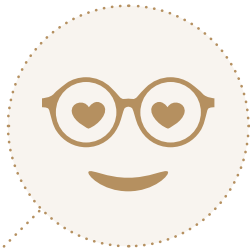
HAPPINESS

Tangibles—like time and money—are a solid base for ROI, but you can also watch for increased site traffic, retention, and better product reviews.

We know that usability has a big effect on your customers' satisfaction; so much so that it:

/ Increases their willingness to pay by 14.4%
/ Reduces their reluctance to switch brands by 15.8%
/ Boosts their likelihood to recommend a product by 16.6% [3]

Usability and customer satisfaction is grounded in your ability to listen to and really understand the end users. Usability expert Kim Goodwin says it best: "If you're starting out early in the process by talking about your ideas for solutions, you're already not listening. I think you need to enter into any design project with that zen learner's mind of 'I don't know what I don't know.'"

If you find yourself asking if there is enough ROI to justify all of your user research, testing, and concept validation, rest assured that the answer is a resounding "Yes." It all plays into customer happiness—the intangible that produces the tangible dollar.

HOW MUCH NEEDS TO BE SPENT ON UX?

The gains of a solid user experience are much larger than the costs. Generally, we suggest that you spend 10% of a project's budget on usability, but optimal ROI will probably require spending 20% or more.

Usability, on average, can double when you allocate your budget to put user experience first.[4]

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We believe that the allocation of budget share to usability will increase in the future, at least in big companies. Of course, there will be some point at which the value from extra spending on usability is less than the value of extra spending on other components of a project. But we don't know where returns start to diminish, because we are nowhere near this point in current practice.[5]

Timing Is Everything

NOVEMBER
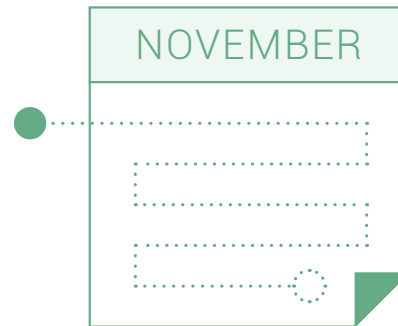
DOES BUILDING UX INTO MY PROCESS EXTEND THE TOTAL PROJECT TIME?

Yes, it does extend your project's timeline. But remember: it's an investment. It takes the guesswork out of production or your UI designers. They don't have to wonder where a button should be placed so that it is easy to find for the user. User testing will have already exposed the best solution. A couple months of development in the course of a product's entire lifetime is a drop in the bucket. Not to mention, the UX design process will expose any usability flaws prior to release, saving you from embarrassing critical reviews.

Project Timeline

The user's end goals and motivations must be the focus throughout the entire project.

MONTH 1

> **Deliverables:** Project Plan, Customer Interview Notes, Business Objectives

Customer interviews: We put ourselves in the user's shoes to understand their actions and problems. To do this, we have to interview customers to learn about your users.

Create personas: A realistic name, photograph, and description humanize customer interview data. It helps us approach each challenge throughout the project with empathy toward the end user's goals and motivations.

Mental models: Think of this as a "day in the life" chart that helps us understand the user's goals, habits, and processes. We take time to understand every detail of your user's day, even if it may seem small or irrelevant.

Development environment: We determine the set of processes and tools necessary to solve usability problems, all with goal-directed design in mind.

MONTH 2

> **Deliverables:** Framework, Mental Models, Personas, Designs

Framework design: We build the supporting structure of your product to ensure it is easy to use and supports future growth.

Revise mental models: Looking at the mental models created in month one, we make any necessary revisions or pivots.

Client site visits: We stay in contact to ensure the solution we're creating is inline with your expectations.

Design solutions: Most of our design process happens in high-level wireframes. It keeps costs down and makes iterating faster and less painful. Once the deep thinking is finished, we polish the wireframes to look like a finished product. From there, we create a working prototype suitable for user testing.

MONTH 3

> **Deliverables:** Prototype, User Reports & Findings, Visualized Data Report

User testing: We put the prototype to the test by conducting 3 rounds of user testing with 3 to 5 users, making iterations between each round.

Prototype design modifications: Based on feedback from the user testing, we make modifications to fit users' needs and finalize your prototype.

Visualized data report: This comprehensive assessment walks you through the findings and research from your UX process in an easy-to-digest way.

Portfolio Bust

As you diversify your portfolio, you learn from past investment experiences. It's likely that every investor has experienced some huge gains, while also having some busts that didn't provide any return. Project management mistakes, just like investment mistakes, can be useful learning experiences. Let's examine a real example of a project that didn't bring in UX until it was too late:

Dave works for a private company that manufactures heavy machinery for the military. He is a deadline-oriented marketing manager, and he's had a hand in many aspects of a new project's execution. He's working on software that makes military vehicles safer for soldiers, and is in charge of creating a budget and seeing this project through.

Working alongside his team, he develops a product for the military which he thinks will effectively solve their needs. But once the product goes live, Dave and his team are disappointed with the results. They are receiving tons of user feedback that the product isn't easy to use; there are way too many buttons to control quickly. With a product used by soldiers where each passing second could mean the difference between life and death, this is a very serious usability issue. Dave realizes that his project is quickly going down in flames. The adoption rate is low, and his company is not happy with the outcome.

He turns to user experience as a possible last-minute solution and ends up spending thousands of dollars on top of the original development cost to fix problems that were avoidable.

The product was already built, but it didn't solve the needs of the end-users. Had Dave made user experience design the foundation of his project, he could have ensured usability prior to development.

Dave isn't the only one who has made this mistake. Many customer experience initiatives that don't meet their full potential — or worse, fail completely — occur because neither employees nor partners have a complete picture of what the customer experience actually entails or the dynamics that go into creating it.[6]

How Much Does It Cost

Ninety-three percent of customer experience executives say that customer experience is one of their firm's top strategic priorities.[7] As such, the "right" investment correlates directly with the size of the project.

An allocation of 10-20% of your project's total budget to user experience design usually yields the best ROI. That said, your UX budget spending won't look the same as the next guy's. You may spend more on research, whereas others may spend more on prototyping. It will all depend on your specific project, business goals and objectives.

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Design

Research

Test

Build
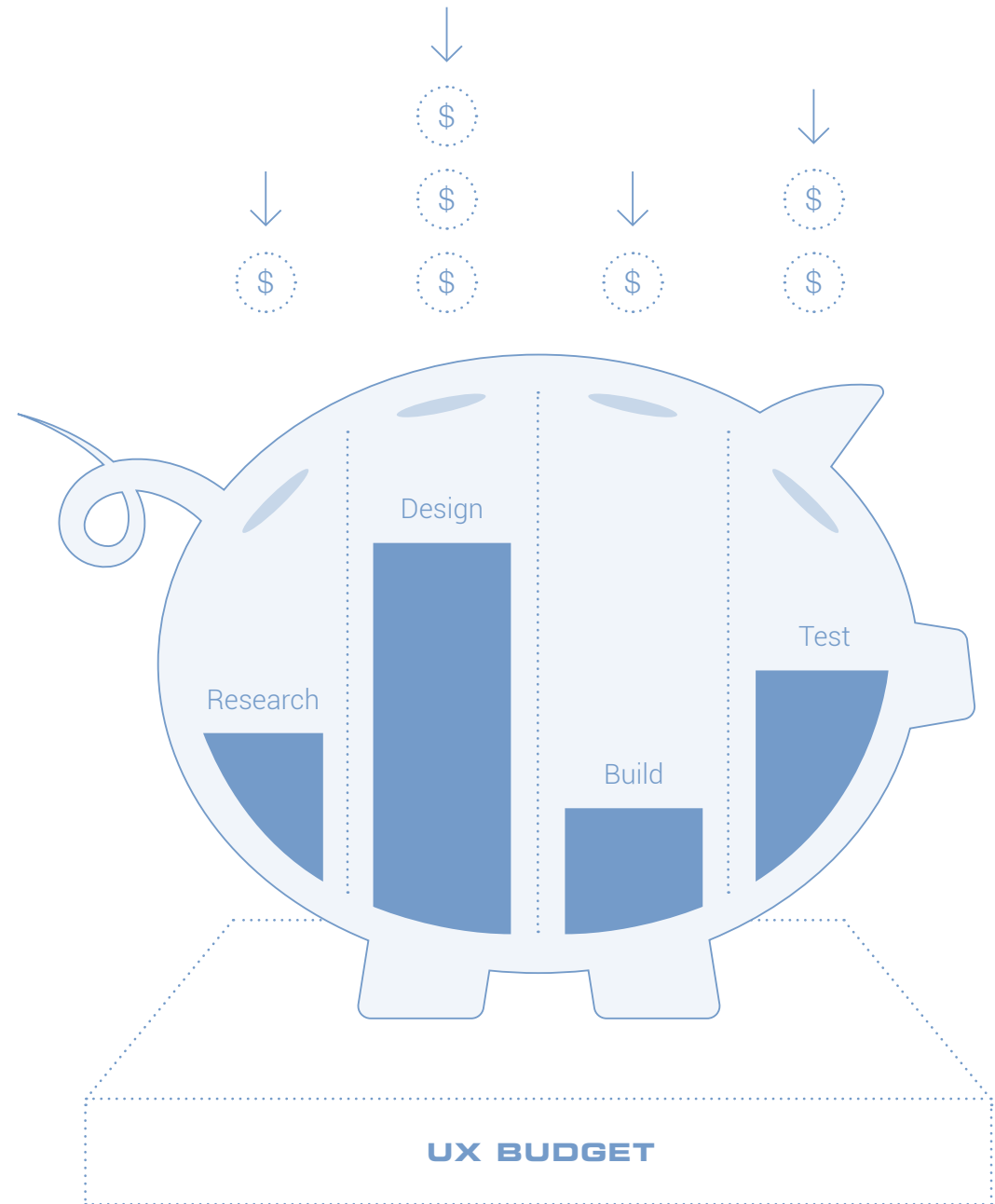
UX BUDGET

Be Strategic With Your Budget & Experience

If you want to invest your money in the market, you've got a couple of options. You could call 1-800-INVESTALOT where they'd be happy to take your money and invest it for a slight return. To them, you're just another number on a portfolio. But there is another option. You could sit down with a well-qualified, certified and licensed agent who will get to know you on a personal level. They'll ask you questions about your future, where your kids will go to college, or if you want to retire in a cabin, on a beach, or travel around Europe. They will take the time to get to know you, your needs and goals. Once they have a clear idea of your specific objectives, they will they develop an investment plan that will bring you results.

You can't treat user experience like it's a repeatable "number on a portfolio" process. The best user experience firms know that the most effective solutions are found by taking the time to get to know the users, their goals, processes, and habits.

Don't waste time and money by not budgeting and allocating time for great user experience design.

Allocating the right amount of your budget for user experience may seem daunting at the beginning, but once you have built a product that is loved, you'll be glad user experience was where the journey began. Your customers will be, too.

Sources

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2 - Nielsen, Jacob, J.M Berger, Shuli Gilutz, and Kathryn Whitenton. Return on Investment (ROI) for Usability. Rep. no. 4th Edition. Fremont, CA: Nielsen Norman Group, n.d. Print.

3 - Temkin, Bruce. "Customer Experience Boosts Revenue." Take Stock In Customer Experience Leaders. Forrester Research, 4 May 2010. Web. 09 Nov. 2015.

4, 5 - Nielsen, Jacob, J.M Berger, Shuli Gilutz, and Kathryn Whitenton. Return on Investment (ROI) for Usability. Rep. no. 4th Edition. Fremont, CA: Nielsen Norman Group, n.d. Print.

6, 7 - Bodine, Kerry, and Paul Hagen. "The Customer Experience Ecosystem."Forrester Research. N.p., n.d. Web.

Create A Meaningful Experience.™

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Visual Logic is a UX design firm comprised of leading designers, developers, and strategic thinkers. Since 1988, we've been elevating the importance of user experience to create some of the most useful, usable, and desirable products of our time.